

**EXHIBIT 7**

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY

IN RE: . Case No. 23-12825 (MBK)  
. .  
LTL MANAGEMENT LLC, . Clarkson S. Fisher U.S.  
. Courthouse  
. 402 East State Street  
. Trenton, NJ 08608  
Debtor. .  
. April 11, 2023  
. 9:59 a.m.  
. . . . .

TRANSCRIPT OF MOTION BY MOVANT ANTHONY HERNANDEZ VALADEZ FOR AN ORDER (I) GRANTING RELIEF FROM THE AUTOMATIC STAY, SECOND AMENDED EX PARTE TEMPORARY RESTRAINING ORDER, AND ANTICIPATED PRELIMINARY INJUNCTION, AND (II) WAITING THE FOURTEEN DAY STAY UNDER FEDERAL RULE OF BANKRUPTCY PROCEDURE 4001(A)(3) [71]; DEBTOR'S MOTION FOR AN ORDER EXTENDING THE TIME WITHIN WHICH IT MUST FILE ITS (I) SCHEDULES OF ASSETS AND LIABILITIES AND (II) STATEMENT OF FINANCIAL AFFAIRS [14]; DEBTOR'S MOTION FOR AN ORDER: (I) APPROVING THE CONTINUED USE OF ITS BANK ACCOUNT AND BUSINESS FORMS AND (II) AUTHORIZING THE DEBTOR'S BANK TO CHARGE CERTAIN FEES AND OTHER AMOUNTS [13]; DEBTOR'S APPLICATION PURSUANT TO 28 U.S.C. § 156(C) AND 11 U.S.C. § 105(A) FOR ENTRY OF AN ORDER AUTHORIZING THE APPOINTMENT OF EPIQ CORPORATE RESTRUCTURING, LLC AS CLAIMS AND NOTICING AGENT NUNC PRO TUNC TO THE PETITION DATE [11]; DEBTOR'S APPLICATION FOR DESIGNATION AS COMPLEX CHAPTER 11 CASE [6]; DEBTOR'S MOTION FOR AN ORDER SUSPENDING ENTRY AND SERVICE OF STANDARD NOTICE OF COMMENCEMENT [5]; DEBTOR'S MOTION FOR AN ORDER: (I) AUTHORIZING IT TO FILE A LIST OF THE TOP LAW FIRMS WITH TALC CLAIMS AGAINST THE DEBTOR IN LIEU OF THE LIST OF THE 20 LARGEST UNSECURED CREDITORS; (II) APPROVING CERTAIN NOTICE PROCEDURES FOR TALC CLAIMANTS; AND (III) APPROVING THE FORM AND MANNER OF NOTICE OF COMMENCEMENT OF THIS CASE [10]; DEBTOR'S MOTION PURSUANT TO 11 U.S.C. § 1505 FOR AN ORDER AUTHORIZING IT TO ACT AS FOREIGN REPRESENTATIVE ON BEHALF OF THE DEBTOR'S ESTATE [12]  
BEFORE THE HONORABLE MICHAEL B. KAPLAN  
UNITED STATES BANKRUPTCY COURT JUDGE

Audio Operator: Wendy Quiles

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1 her minor children, one with autism who's struggling mightily.  
2 And I told Kimberly in her final days when she was asking me  
3 what was going on, I told her that just like she told Senator  
4 Whitehouse in the U.S. Senate that she would never give up,  
5 that she wouldn't quit, I promised her that we wouldn't quit.  
6 And we're not going to. Thank you.

7 MR. BIRCHFIELD: Good afternoon, Your Honor. Andy  
8 Birchfield with Beasley Allen on behalf of Alishia Landrum. I  
9 think it's time we get back to a PowerPoint, Your Honor.

10 Your Honor, for the record, I want to say that we  
11 oppose this bankruptcy. We consider this to be a sham  
12 bankruptcy that is founded on a massive fraudulent conveyance,  
13 and we urge that it be dismissed. I say that for the record  
14 because I do not want it to be misconstrued because most of the  
15 time that you allow me to have before you today, I want to  
16 focus on the proposed deal, the proposed plan that J&J has put  
17 forward.

18 We oppose this plan because it is a bad deal for the  
19 claimants. That is the only reason that we oppose this plan.  
20 It is bad for the claimants. And it's bad for many reasons,  
21 but that's the only reason that we oppose it is because it's  
22 bad for the claimants. There has been much that's much been  
23 said, and Mr. Gordon insinuated with his questions that there  
24 must be something else. He raised that why would a what he  
25 describes as a minority of claimants, a handful of law firms,

1 oppose this. The only reason, the only reason that we oppose  
2 the proposed deal is because it is bad for claimants.

3 There are statements that are made in the  
4 informational brief that all of the leadership firms, all of  
5 the leadership firms oppose this deal. What's that a reference  
6 to? That's a reference to the lawyers and the law firms that  
7 litigated this case in this courtroom in the MDL through all of  
8 the Daubert proceedings. It is the lawyers who stood in front  
9 of juries across this country. These are the lawyers that have  
10 taken the depositions who know this case.

11 These are the lawyers on behalf of ovarian claimants  
12 just like Ms. Kagan said on behalf of the meso claimants.  
13 These are the lawyers. These are the lawyers who have held the  
14 hands of their clients as they have walked through in  
15 depositions what they have experienced after the diagnosis of  
16 ovarian cancer. These are the lawyers who have held the hands  
17 of widows as they described what their wife went through.  
18 These are the lawyers who have been in the trenches.

19  
20 But is is not just the leadership lawyers. It is not  
21 a handful of firms. It is not a minority of firms or a  
22 minority of the claimants that oppose this deal. There are  
23 over -- well over, well over 100 firms that oppose this  
24 proposed plan. Those firms represent over 40,000 claimants.  
25 These are claimants that the majority of those have been filed.

1 They are pending. They were pending before J&J filed its first  
2 bankruptcy in October of '21.

3 But to say that this is a bad deal on behalf of  
4 claimants, in order to say that, there must be some indicia of  
5 what a good deal would look like. And so I want to walk  
6 through in just a few moments, Your Honor, what are some of the  
7 indicia of what a reasonable, a fair and equitable agreement  
8 would look like on behalf of a claimant. Some of these factors  
9 are objective factors.

10 So if you're looking at a claim and you're evaluating  
11 that claim in the tort system, you would look at what are the  
12 medical expenses that are involved in treating the injury,  
13 whether that is mesothelioma or whether it is ovarian cancer.  
14 What are the medical expenses? That's objective. What are the  
15 lost wages? Those are objective. Those are knowable.

16 Pain and suffering, that's subjective. And the loss  
17 of consortium, that's subjective. The Supreme Court has  
18 provided some guidance on punitives, but all of those are  
19 elements. If you're going to assess what is a fair and  
20 reasonable deal on behalf of a claimant, we submit you must  
21 take into consideration these factors, at least the objective  
22 factors.

23 On behalf of ovarian cancer claimants, we know what  
24 the average medical cost would be. And the average medical  
25 cost would be over 220,000. You see here 224,786. And I

1 submit to you that these are conservative figures. And, of  
2 course, these vary based on the stage of diagnosis. It also  
3 varies based on the age of the claimant at the time she's  
4 diagnosed.

5 So you would have someone, it may be a 42-year-old  
6 that is diagnosed with Stage 4. The cost of treatment is going  
7 to be significantly higher. Those costs for that young woman  
8 who is diagnosed with ovarian cancer often exceed a million  
9 dollars. If you have an 82-year-old that is diagnosed with  
10 Stage 1 or Stage 2, the medical costs are going to be  
11 significantly less, less than 100,000.

12 But if you look at across the board, if you look at  
13 how many claimants are going to be diagnosed with Stage 4 and  
14 how many will be diagnosed at Stage 3 and 2 and 1, and you look  
15 at how many of those would be diagnosed when they are 40 years  
16 old versus when they are 70 to 75 years old, we know those  
17 numbers. We have that analysis.

18 And that weighted average is 224,000. And I submit  
19 that is conservative, and it is supported by what we have seen  
20 in the trials. In the trials of these cases, many times there  
21 were stipulations that were entered into by J&J, their lawyers,  
22 and the plaintiffs' lawyers representing the victim. And so  
23 you look at these medical bills, these are what was stipulated  
24 to once the medical bills were compiled and J&J's lawyers  
25 analyzed those, they stipulated that these are the medical

1 bills.

2 So you see 854,000, 1.3 million, almost 1.4. So you  
3 see these values. These show that what I presented to you as  
4 an average medical cost, they're conservative. The lowest -- I  
5 do think that this point is worth the Court's consideration, as  
6 well. The lowest compensatory award of any plaintiffs' verdict  
7 on the ovarian cancer side was over \$2.5 million. The lowest.

8 When you look at the medical cost, you look at the  
9 compensatory awards, these just looking at the objective  
10 criteria, you see the significance of what is involved in these  
11 cases. Again, the lost wages, that is another objective  
12 criteria. And, again, you will have someone who is diagnosed  
13 at Stage 4, you know, someone who dies as a result of ovarian  
14 cancer in their 40s is going to be significantly higher than  
15 someone who is diagnosed at a lower stage at age 60.

16 But the weighted average across that span would be  
17 over \$230,000. That's lost wages. You look at the lost wages,  
18 you look at the medical expenses, those are objective criteria.  
19 But, Your Honor, I want to take you back to and it was  
20 referenced earlier, Mr. Henry, Mr. Bill Henry. When he  
21 appeared before the Court I believe by Zoom, he reminded the  
22 Court, he reminded us all these claims are about people. They  
23 are not about numbers. He walked through his 56 years of -- or  
24 46 years of wedding and what it was like to lose his wife, the  
25 love of his life.

1 He says there is -- there's no apologies, there are  
2 no do-overs. Please hear the 38,000 echos of this voice. We  
3 are people, not numbers. So when I walked through the  
4 objective criteria, I don't want to lose sight that we're  
5 talking about, we are talking about people. We are talking  
6 about families that have been ripped apart.

7 Now in addition to the objective criteria, you should  
8 also take into consideration the pain and suffering. So what  
9 happens when a woman is diagnosed with ovarian cancer? One of  
10 the first steps in the course of treatment is a debulking  
11 surgery. It is a major significant surgery. The torso is  
12 incised and all of the female reproductive organs are removed.  
13 That leads to many of these women, many of these women die.  
14 They die of starvation because the results of the scarring of  
15 their tissue, is a painful painful process. That's what these  
16 women go through.

17 When we look at those medical records, when we look  
18 at the medical records and the cost, the debulking surgery then  
19 followed by chemo gives a glimpse of the significance, the  
20 magnitude of the injury that we're talking about here. So when  
21 we look at the objective criteria, so when I say that we oppose  
22 the proposed J&J deal, it is because of these criteria because  
23 we know what these women went through. We know what these  
24 families went through. We know what the men who suffered from  
25 mesothelioma went through.



1           So against that backdrop, we can say that this is a  
2 bad deal and we oppose it. So what do we know about the deal,  
3 the proposed plan that J&J has put forward? I mean, first,  
4 that it includes all ovarian cancer claims and all mesothelioma  
5 claims. It includes not only the current claims but the future  
6 claims, as well. And it includes all of the governmental  
7 entity claims, all of the state AG claims. All of that for a  
8 pot of \$8.9 billion.

9           And so what has been put forward by Mr. Gordon today  
10 that there is a vast majority that support this proposal. We  
11 take issue with the vast majority. We see, and Mr. Watts  
12 addressed this earlier and he referenced, and we see the 13  
13 firms that were listed that support this deal. There are well  
14 over 100 firms that oppose this deal for the very reasons that  
15 I just described.

16           And here's what we do know about the deal, and Mr.  
17 Watts and Mr. Gordon describe this for us. So look, we see  
18 that in the first year, two things would happen. One, they  
19 will pay \$5.9 billion and that is to satisfy all current  
20 claims. So here's what we can look at. One of the things that  
21 is the most sinister, and that's saying a lot, one of the  
22 things that is the most sinister about this proposed deal is  
23 that J&J through this proposal is seeking to engender  
24 endfighting.

25           This proposed deal would seek to pit the ovarian

1 cancer claimants against the mesothelioma claimants. This  
2 proposed deal would seek to pit the future claimants against  
3 the current claimants. And this proposed deal would seek to  
4 pit the state attorney generals against all of the personal  
5 injury claimants.

6 But it does even more, and Mr. Watts discussed the  
7 debate that we will have and Mr. Watts, I've known Mr. Watts, I  
8 have tried cases with Mr. Watts, and we can have a civil debate  
9 about the merits and the lack of merits of this proposed deal.  
10 One thing that I am confident that Mr. Watts will tell you or  
11 would tell anyone that when he talked about the three meetings  
12 that we had and in addition to those meetings, we had phone  
13 conferences, as well, phone discussions, and I am confident  
14 that one thing that Mr. Watts will tell you is while we may  
15 disagree on the merits of this deal, the only discussion that  
16 we had in regards to a deal was based on the value to the  
17 claimants, nothing else.

18 You want to know, well, what would drive the  
19 claimants. I've just described that for you. It is because of  
20 the merits and the value of these claims, and it is nothing  
21 more. And Mr. Watts described -- addressed the issue of side  
22 deals. I have never said and I do not believe that Mr. Watts  
23 is engaged in any side deal. There is a difference based on  
24 the merits of these claims.

25 And if Mr. -- I want to walk through very briefly in

1 conclusion, Your Honor, I want to walk through the math of this  
2 deal and what this deal shows us, what the math of this deal  
3 shows us. If you look at the payment over the 25 years, the  
4 nominal payment would be 12.08 billion. Now J&J has asserted,  
5 they have represented they believe there are 90,000 current  
6 claims and that they have signed plan support agreements for  
7 60,000 of those. They've said that they have 60,000 plan  
8 support agreements.

9 So if you look at this math, at 12.08 billion, if  
10 there are 100,000 claims and that would only be 10,000 future  
11 claims and I don't believe there's anyone in this room that  
12 believes that there would only be 10,000 future claims. But at  
13 10,000 future claims, you're looking at a total of 100,000  
14 claims. That would be 120,000 case average.

15 That's assuming that the state AGs take nothing from  
16 this pot. That's assuming that there is no payment for direct  
17 claims from third-party payors. And it's assuming that the  
18 mesos and the ovarians are all taking from the same pot because  
19 that is -- that's what this proposal is, is seeking to get  
20 60,000 claimants, and maybe there are those claimants like Mr.  
21 Watts and Mr. Onder, and Mr. Nachawati represent. And I  
22 understand it.

23 This has been a long hard slog and there may be  
24 claimants, maybe it's the lesser injury claimants, maybe there  
25 are claimants that just said, look, I'm throwing in the towel,

1 were -- they were dismissed based on jurisdiction. Those cases  
2 remain pending today. Those cases remain pending today. The  
3 statement that Beasley Allen lost every trial is -- it's  
4 another -- it's another effort at misleading the Court.

5 Mr. Gordon says, just let the people vote, as if  
6 letting a vote go forward now has no harm. A vote -- a vote  
7 means delay. The debtor had 18 months to allow a plan to go  
8 forward for a vote in the first bankruptcy. They chose not to  
9 do it.

10 So to say that let's just let the people vote, that  
11 is as if there's no harm. It is significant harm. It deprives  
12 every one of these claimants, ovarian cancer, mesothelioma  
13 claimants, it deprives them of their day in court. There has  
14 been enough delay already.

15 Mr. Gordon asked, you know, how could firms -- how  
16 could firms just categorically reject this amount, without even  
17 giving it consideration. Your Honor, we engaged. We engaged  
18 the leadership of the TCC. The Court ordered -- following your  
19 ruling, you ordered mediation. We engaged in mediation.

20 As part of that process, there were significant  
21 discussions among plaintiff's lawyers and with our clients. We  
22 know -- we know what our clients view as a reasonable offer and  
23 what would not be adequate to resolve on an equitable basis all  
24 of the current claimants. So we -- it is not as if this  
25 proposal is something that was just categorically rejected. It

1 was rejected because we have been through this process, we know  
2 what the values are, and we know that this -- that this plan,  
3 an \$8.9 billion plan to cover all of the present and future  
4 ovarian cancer claims, mesothelioma claims, and Attorney  
5 General claims is woefully short.

6 Thank you, Your Honor.

7 THE COURT: Thank you.

8 UNIDENTIFIED SPEAKER: Your Honor, can I speak from  
9 here?

10 THE COURT: Yes, please. Yeah.

11 UNIDENTIFIED SPEAKER: I'm not sure Mr. Gordon  
12 answered any of my questions. So after the Third Circuit  
13 handed down its decision, while we were waiting for an en banc  
14 determination, is Mr. Gordon saying that he was negotiating  
15 with the FCR as a pretext for this bankruptcy? Yes or no?

16 Did J&J look at any of the medical records for any of  
17 Mr. Watts' clients in determining what is a fair deal here and  
18 determining who should vote and who's among the 60,000 people  
19 that they say they have support for?

20 And lastly, did the giving up of the funding  
21 agreement, was that part of any of these post Third Circuit  
22 discussions?

23 Thank you.

24 THE COURT: All right.

25 UNIDENTIFIED SPEAKER: Very briefly, Your Honor.